



**Governing Council
of the United Nations
Environment Programme**

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POLICY ISSUES: COORDINATION AND COOPERATION WITHIN
THE UNITED NATIONS

International conventions and protocols in the field
of the environment

Report of the Executive Director

Summary

The present report is submitted in response to Governing Council decision 24 (III) of 30 April 1975 which requests the Executive Director to inform the Council at each session on the status of new and existing conventions in the field of the environment, and to General Assembly resolution 3436 (XXX) of 9 December 1975 which requested the Governing Council to keep the General Assembly informed of any new conventions in that field and of the status of existing conventions. The information contained in the report is provided by Governments and international organizations acting as depositaries to the respective conventions, in response to the Acting Deputy Executive Director's letter of 19 December 1994. It reflects the status of conventions and protocols as at 30 November 1994 and takes into account information received by the UNEP secretariat up to 7 March 1995. Information on the objectives, provisions, signatories and parties of international environment-related agreements may be found in the 1993 edition of the UNEP Register of International Treaties and Other Agreements in the Field of the Environment.

Suggested action by the Governing Council

The Council may wish to take note of the present report and authorize the Executive Director to transmit it, together with any comments made by delegations on the report, to the General Assembly at its fiftieth session, in accordance with General Assembly resolution 3436 (XXX) of 9 December 1975. The Council may also wish to call on States that have not yet signed, ratified or acceded to conventions and protocols in the field of the environment to do so.

* UNEP/GC.18/1.

A. Depositaries

1. The following Governments and intergovernmental organizations reported on the status of conventions for which they serve as depositaries:

Australia, Denmark, Finland, France, Germany, Kuwait, Mexico, New Zealand, Norway, Russian Federation, Sweden, United Kingdom, Western Samoa, the United Nations Secretariat, the International Labour Organization, the International Maritime Organization, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the International Atomic Energy Agency, the Organisation for Economic Cooperation and Development, the Organization of African Unity, the Council of Europe, the Association of South East Asian Nations, the Permanent Commission for the South East Pacific, the International Union for the Protection of New Varieties of Plants, the North Pacific Anadromous Fish Commission.

B. Conventions and protocols that have entered into force

2. The secretariat has been informed that the following international conventions and protocols in the field of the environment have entered into force during the period covered by the present report (1 July 1992 - 30 November 1994):

(a) Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted at the second meeting of the Parties at London on 29 June 1990, entered into force on 10 August 1992;

(b) The Protocol for the Protection of the Marine Environment against Pollution from Land-based Sources, adopted at Kuwait on 21 February 1990, entered into force on 2 January 1993;

(c) The Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean, adopted at Moscow on 11 February 1992, entered into force on 16 February 1993;

(d) The Convention Concerning Safety in the Use of Chemicals at Work, adopted at Geneva on 25 June 1990, entered into force on 4 November 1993;

(e) The Convention on Biological Diversity, opened for signature at Rio de Janeiro on 5 June 1992, entered into force on 29 December 1993;

(f) The United Nations Framework Convention on Climate Change, adopted at New York on 9 May 1992, entered into force on 3 March 1994;

(g) The Convention for the Conservation of Southern Bluefin Tuna, adopted at Canberra on 10 May 1993, entered into force on 20 May 1994;

(h) The Copenhagen Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted at Copenhagen on 25 November 1992, entered into force on 14 June 1994;

(i) The United Nations Convention on the Law of the Sea, adopted at Montego Bay, Jamaica, on 10 December 1982, entered into force on 16 November 1994;

(j) The Protocol to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, adopted at London on 19 November 1976, entered into force on 22 November 1994.

3. The International Convention on Oil Pollution Preparedness, Response and Cooperation, adopted at London on 30 November 1990, enters into force on 13 May 1995.

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C. New adopted conventions and protocols

4. The secretariat has been informed that, in addition to those instruments listed in the report to the Council at its seventeenth session (UNEP/GC.17/10), the following conventions and protocols were also adopted during the period covered by that report (1 September 1990 - 30 June 1992):

- (a) The Convention Concerning the Protection of Alps, adopted at Salzburg, Austria on 7 November 1991;
- (b) The Agreement on the Conservation of Bats in Europe, adopted at London on 4 December 1991;
- (c) The European Convention on the Protection of the Archaeological Heritage (Revised), adopted at Valletta, Malta, on 16 January 1992;
- (d) Protocol of Amendment to the European Convention for the Protection of Animals Kept for Farming Purposes, adopted at Strasbourg, France, on 6 February 1992;
- (e) The Treaty on European Union, adopted at Maastricht, Netherlands, on 7 February 1992. The Treaty contains provisions by which environmental protection is recognized as one of the major issues the Community is required to address;
- (f) The Convention for the Conservation of Anadromous Stocks, adopted at Moscow on 11 February 1992;
- (g) The Convention Concerning the Conservation of the Biodiversity and the Protection of Priority Forestry Areas of Central America, adopted at Managua, Nicaragua, on 5 June 1992.

5. The secretariat has been informed that the following international conventions and protocols in the field of the environment were concluded during the period covered by the present report (1 July 1992 - 30 November 1994):

- (a) The Agreement establishing the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean, adopted at Madrid on 24 July 1992;
- (b) The Convention for the Protection of the Marine Environment for the North-East Atlantic, adopted at Paris on 22 September 1992;
- (c) Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted at the fourth meeting of the Parties at Copenhagen on 25 November 1992;
- (d) Protocol to Amend the International Convention on Civil Liability for Oil Pollution Damage, adopted at London on 27 November 1992;
- (e) Protocol to Amend the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, adopted at London on 27 November 1992;
- (f) The North American Free Trade Agreement, adopted on 17 December 1992. The Agreement contains provisions on, inter alia, relation to environmental agreements, sanitary and phyto-sanitary measures and technical barriers to trade, including standards-related measures;
- (g) The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and their Destruction, adopted at Paris on 13 January 1993. The Convention sets out provisions obligating the Parties to assign the highest priority to ensuring the safety of people and the environment;

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(h) The Agreement for the Establishment of the Near East Plant Protection Organization, adopted at Rabat, Morocco, on 18 February 1993;

(i) Protocol to the International Convention for the Safety of Fishing Vessels, adopted at Torremolinos, Spain, on 2 April 1993;

(j) The Convention for the Conservation of Southern Bluefin Tuna, adopted at Canberra on 10 May 1993;

(k) The Agreement Establishing the South Pacific Regional Environment Programme, adopted at Apia, Western Samoa, on 16 June 1993;

(l) The Convention on Civil Liability for Damage Resulting from Activities Dangerous to the Environment, adopted at Lugano, Switzerland, on 21 June 1993;

(m) The Convention on the Prevention of Major Industrial Accidents, adopted at Geneva on 22 June 1993;

(n) The North American Agreement on Environmental Cooperation, adopted on 13 September 1993;

(o) The Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, approved by the twenty-seventh session of the Conference of the Food and Agriculture Organization of the United Nations at Rome on 24 November 1993;

(p) The Agreement for the Establishment of the Indian Ocean Tuna Commission, approved by the one-hundred-and-fifth session of the Council of the Food and Agriculture Organization of the United Nations at Rome on 25 November 1993;

(q) The Convention on Nuclear Safety, adopted at Vienna on 17 June 1994;

(r) The United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, adopted at Paris on 17 June 1994;

(s) The Convention for the Establishment of the Lake Victoria Fisheries Organization, adopted at Kisumu, Kenya, on 30 June 1994;

(t) The Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, adopted at New York on 28 July 1994. The Agreement, inter alia, strengthens the provisions relating to the protection of the marine environment from deep seabed activities;

(u) The Lusaka Agreement on Cooperative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora, adopted at Lusaka on 8 September 1994.

D. Changes in the status of existing conventions and protocols

6. The status of ratification of, or accession to existing conventions and protocols may be found in a table entitled "Status of Ratification of, and Accession to Conventions and Protocols in the Field of the Environment" which is made available to the Council as background information.



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POLICY ISSUES: STATE OF THE ENVIRONMENT

Executive Director's Statement on the Environment

Introduction

1. The Executive Director, in her note "Future State-of-the-Environment Reports" (UNEP/GC.17/Inf.11), proposed to provide the Governing Council at each session with a "Statement on the Environment" covering key environmental policy issues; major new sectoral environmental assessment findings and their implications for early warning; new environmental problems; exceptional environmental events of global significance; and action taken or under consideration.

2. As part of such improvement, it is proposed herewith that this, as well as future statements on the environment, focus on one or two critical issues, such as major emerging environmental threats or driving forces of environmental change. Important environmental assessment findings in sectors or regions, or those arising from integrated analyses of areas of concern would be covered in the series produced by UNEP's environmental assessment process. Such findings would not necessarily be repeated in the Executive Director's statement (although highlights would be flagged in appropriate places in her policy speech to the Governing Council). Furthermore, it is believed that exceptional environmental events over the reporting period would have been adequately covered by the media to preclude their repetition in the Executive Director's report, unless the persistent effects of such events were to become a matter of global concern.

* UNEP/GC.18/1.

3. The proposed programme of work: Fund programme activities for the biennium 1996-1997 (UNEP/GC.18/9) is based on UNEP's responsibilities to identify and assess environmental issues of common concern, alert the world community to these issues, induce their resolution through international cooperation and provide policy guidance for the direction and coordination of environmental programmes within the United Nations system. Focusing on four major challenges, it reflects to a large extent the approach proposed for the preparation of future statements on the environment.

4. In order to allow for the Governing Council to have a focused policy-oriented discussion, the present statement on the environment concentrates on the important new environmental challenges addressed in the proposed sub-programme on globalization trends and the environment, with particular emphasis on issues related to trade and environment.

Statement on the Environment

5. The international environmental and trade agendas continue to undergo profound change. Since first introduced more than two decades ago, environmental policies have become broader in scope, more stringent in allowable emissions and related standards, more efficient in design, and more flexible in the use of economic tools. Such tools cover a range of instruments, including pollution charges, deposit-refund systems, environmental taxes and other measures. Recent surveys show an important shift is under way in environmental policy emphasis, away from the exclusive reliance on command-and-control regulations, and towards a greater use of economic instruments to help achieve environmental objectives.

6. An important reason for this increased emphasis on economic instruments is the continuing shift in environmental policy focus, from measures intended to address symptoms of ecological degradation, to policies designed to tackle underlying economic causes. Such causes are often associated with pricing and policy failures. Accordingly, a relatively new focus of the green agenda centers on recasting market prices, to include ecological costs.

7. Despite this shift in agenda emphasis, in practice the gap between stated goals and concrete progress remains extremely wide. Despite the endorsement by industry and Governments of full-cost pricing, actual pricing reforms in the market-place remain well below what the public wants, and what sustainable development needs. This is not to say the environmental economic agenda has somehow stalled. Considerable progress continues to be made in assessing the operational relevance of the internalization of environmental externalities. This progress includes clarifying environmental valuation, natural resource accounting and economic instruments. The potential to coordinate application of these tools with other environmental management tools such as environmental and sustainable development performance indicators, environmental impact assessment, life-cycle analysis, and environmental auditing, remains considerable. In practice, however, government policy, industrial priorities, the signals of financial markets, and consumer purchasing patterns consistently undervalue the environment.

8. An equally profound and arguably more successful policy shift is under way in international trade. The implementation of the Uruguay Round is expected to generate billions of dollars each year to the global economy. The

implementation of the Round, and the establishment of the World Trade Organization (WTO), will profoundly change the contours of international trade, and international markets. In addition to new disciplines covering subsidies and tariff reductions, commitments cover agriculture, textiles and services, as well as new rules for dispute settlements, intellectual property rights and other areas. The Uruguay Round will more tightly weave national economies into the expanding global economy. As with environmental policy, a critical feature of economic globalization is the expected shift in some market prices, because of new rules for subsidies, tariffs and other pricing distortions.

9. As the United Nations Conference on Environment and Development (UNCED) recognized, a prerequisite for sustainable development is the integration of economic and environmental policies. Since that conference, an important policy debate has taken place on the need to ensure that international trade and environment policies are mutually supportive. Thus far, the primary focus of this fruitful debate has been on identifying whether various environmental policies at the national, regional or multilateral levels, create intended or accidental distortions to trade liberalization. Considerable analysis continues in determining potential distortions to market access, competition, investment, employment or other economic factors stemming from environmental policies. A major goal of such work is to ensure that environmental policies do not impede the goals of trade liberalization.

10. More work is needed in determining whether environmental measures create potential distortions to economic liberalization. There is clear recognition that green protectionism threatens not only the development aspirations of many developing countries. It also threatens legitimate environmental policy itself. However, there is also a need to look at the other side of the trade-environment debate, that is: the environmental effects of economic liberalization in general, and trade liberalization in particular. Despite welfare gain assumptions associated with the positive links between trade expansion, per capita income growth, and improved environmental protection, empirical evidence confirming these links remains inconclusive. Limited studies do suggest a positive correlation under limited data input scenarios between trade expansion, growth in per capita income, and a decline in some industrial pollution emissions. However, evidence also suggests that, at least in the short term, economic liberalization and export maximization contributes to increasing environmental problems. Such problems include increase in resource extraction, the loss of marginal lands, displacement of rural populations and influx into urban areas, the erosion or destruction of fragile ecosystems, jumps in air and water pollution, and the often unmanageable proliferation of hazardous and toxic chemical wastes.

11. Although change is now the cornerstone of global economic policy, the implications of unprecedented ecological change of planetary dimensions stemming from powerfully new economic trends remain almost entirely unknown. In this context, there is no doubt that the implementation of the Uruguay Round will bring about profound change. The new trade regime is expected to contribute an additional US\$ 500 billion per year to the global economy. The overall volume of merchandise trade is expected to increase by roughly 10-20 per cent. From an economic perspective, this kind of change is obviously welcome. And from the perspective of some environmental issues, such as the promised decrease in agricultural subsidies, liberalization is

expected to bolster resource allocative efficiency, reduce pricing distortions, and strengthen the "polluter pays" principle. However, from a global environmental perspective, a critical question which must be asked is: to what extent can critical ecological thresholds withstand economic change and expansion?

12. This is not a question of academic interest, but one which drives to the very heart of longer-term development assumptions. Each year, science warns of a growing list of unprecedented environmental problems. They are as ominous and diverse as climate change and global warming; the depletion of stratospheric ozone; the massive loss of biodiversity; the collapse of fisheries and continued threat of political conflict stemming from resource exhaustion; the continuing depletion of forests; and the annual loss of billions of tonnes of productive topsoils each year. While Governments advocate sustainable development, tens of millions of tonnes of hazardous and toxic wastes are generated each year, together with millions of tonnes of organic and other chemicals dangerous to human health. Certainly, there has been no lack of meetings, conferences and pious declarations on the virtues of sustainable development since UNCED. However, the gulf between political declaration and policy action is eroding public confidence in the willingness of Governments and industry to mean what they say, and do what they promised.

13. Yet the record shows that when specific economic crises arise, particularly related to international trade and stabilization of monetary policies, Governments can galvanize the political will to act. It is against this background that the debate on trade, environment and sustainable development has become so important. More work is needed to understand both sides of this important debate: that is, not only the potentially distortionary trade effects of environmental policies, but also the environmental implications of global economic liberalization. It is little more than wishful thinking to suggest, without solid empirical evidence, that liberalization in itself is sufficient to guarantee environmental protection and sustainable development. More work is needed to understand potential environmental pressures associated with liberalization before they occur, and to elaborate appropriate environmental and economic policies.

14. The real challenge in the trade-environment debate is therefore not merely to avoid conflicts between the trade and environmental regimes. Rather, it is to ensure that trade - which contributes US\$ 3 trillion each year to the global economy - can work as a positive instrument for sustainable development. Considerably more work is needed to identify environmentally sound goods and services and more flexible methods of accelerating the transfer of environmentally sound technologies to developing countries, and vice versa, and to understand the trade implications of poverty alleviation, sustainable production and consumption commitments.

15. Some of the main areas which merit greater environmental analysis are:

(a) Environmental assessment of trade policy: Increased empirical and policy analysis is needed to assess the environmental effects of trade liberalization, both in relation to multilateral trade policy and to the effects of regional trade and customs unions agreements. How can environmental reviews be undertaken, and how can such information assist national Governments in assessing potential impacts, and introducing appropriate policy responses?

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(b) Environmental implications of macroeconomic policy: Preliminary analysis continues in assessing the direct and indirect effects of macroeconomic policies, including changes in monetary policies and exchange rates, as well as the environmental effects of structural adjustment and price stabilization policies. Evidence does, however, suggest that different macroeconomic policies are often not coordinated and work at cross purposes with development and environmental protection policies. Considerably more work is needed in assessing how environmental factors can be integrated into macroeconomic policies;

(c) Environmental investment: Despite the growing importance of the environmental goods and services sector, evidence suggests that equity, pension fund and money markets largely ignore longer-term investment opportunities stemming from environmental protection. In early 1995, for example, a UNEP global survey of commercial and investment bankers showed an important gap between credit and equity environmental investments. Research, public-private sector partnerships and other initiatives have to be promoted to increase private sector financial investment to strengthen sustainable development;

(d) Environment and employment: In light of recent recessionary pressures, mounting budget deficits and debt, and economic structural shifts associated with trade liberalization and globalization, domestic employment concerns are creating new pressures on both the trade and environmental agenda. Work is needed to determine sustainable employment policies, particularly at the sectoral and country levels;

(e) Sustainable consumption and production patterns: An important policy objective following UNCED is to reform consumption and production patterns, particularly in the industrialized countries. Although there is broad recognition of the differentiated responsibility which developed countries share in this complex area, very little analysis has thus far been made in assessing the trade and investment implications of such reforms, as well as the welfare implications which may affect developing economies.

16. Considerably more work is needed to clarify links between environmental management, trade, macroeconomic policies, employment and investment policies. Some preliminary analysis suggests, for example, that there are positive links between protecting the environment and economic development.

- The estimated value of environmental activities - including pollution abatement, waste management, cleaner production, and the delivery of other environmental technologies and related services - may exceed US\$ 320 billion per year by the year 2000, and US\$ 570 billion by the year 2010.
- Estimates suggest that at least 20 per cent of global environmental expenditures will take place in transitional and developing economy countries.
- In Germany, an estimated 750,000 people are directly employed in the environmental products, services and protection sector. In Canada, an estimated 4,500 small, medium, and large-scale companies, employing an estimated 150,000 people, are involved in the so-called "environmental sector".

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- The market for environmental services in Western Europe was estimated in 1992 to exceed US\$ 94 billion. Growth forecasts for the European environmental sector are approximately 7 per cent per year. Currently, some 16,000 companies directly involved in environmental products and services operate in Europe.
- Hundreds of new "environmental investment" funds have been introduced. Although modest in relation to overall investment amounts, green funds continue to outpace mainstream investment funds: some forecasts show a projected growth of 15 per cent per year, over the next few years, in green funds.

17. The challenge of sustainable development will not be met through promises and conferences. Instead, progress increasingly depends on putting forward policy-relevant environmental assessments of economic policy, capable of identifying microeconomic, sectoral and other effects of environmental policies.

(a) International organizations: The responsibility for moving the environment and trade agenda forward rests with a number of international organizations, including WTO, the United Nations Conference on Trade and Development (UNCTAD), UNEP, the United Nations Development Programme (UNDP) and the Commission on Sustainable Development. One of the real benefits of the post-UNCED debate on trade, environment and sustainable development has been the realization of effective, efficient inter-agency cooperation on this issue. Options need to be explored, to consider how to strengthen further inter-agency cooperation with a view to taking full account of the needs and interests of developing countries;

(b) Industry: Responsibility also rests with industry in delineating market opportunities from the environmental agenda. One area that merits considerably more work is the role which transnational corporations can play in such areas as standards harmonization, technology transfer and capacity-building. Progress is also needed in helping industry become full partners in economic, pricing and other reforms upon which sustainable development must be built;

(c) Public-private sector partnerships: More work is needed in exploring new and innovative sources to finance sustainable development. For example, in 1994 UNEP hosted the first international conference involving the financial services sector on environmental issues. A major area of interest involves opportunities for private-public sector financing of sustainable development. Pilot projects such as those of the Global Environment Facility, in which new venture capital funds are established to cover potentially higher private sector investment risks, need to be expanded. The financial services sector, consisting of commercial and investment banks, insurance companies, pension funds and others, is showing a growing interest in the environment. A real challenge to the United Nations system, as it completes its first half-century, is to align international environment and development policies with the dynamics of the private sector.

18. These are just some of the steps needed to strengthen the footing of sustainable development. However, ultimately the momentum for change must reflect the commitment of national Governments themselves. Almost three years after UNCED, the efforts to build realistic, detailed sustainable development

policies which align economic and ecological realities must be strengthened. UNEP's work on trade and environment can make a substantial contribution to this effort.

Suggested action by the Governing Council

The Council may wish to discuss the growing importance of understanding the linkage between economic activity and the environment and the interface between global economic and environmental issues and, in particular, ways and means to bridge environmental assessment activities and environmental management responses with underlying economic policy and related considerations, welcoming new programme areas, viz. Programme 4: Globalization and the Environment, and noting that sectoral linkages involving trade, law, environmental economics, and other activities are also integrated into core environmental assessment and management programmes. The Council, in addressing these issues, may wish to give particular attention to the challenge for UNEP to ensure that economically relevant environmental policies - intended to address quickly changing and highly complex economic factors - emerge to assist Governments at the national and international levels. A priority area in this regard must be to assist developing countries in meeting new environmental challenges.

In addition to the action by the Council proposed in document UNEP/GC.18/25 entitled "UNEP Action Programme on Environment and Economics", the Council may in particular wish to:

- (i) Acknowledge the growing importance of the interface between global economic trends and environmental issues and, in particular, ways and means to bridge environmental assessment activities and environmental management responses;
- (ii) Welcome a new programme area, Programme 4: Globalization and the Environment, and note that sectoral linkages involving trade, law, environmental economics, and other activities are also integrated into environmental assessment and management programmes;
- (iii) Note the decision of the Commission on Sustainable Development at its second and third sessions on international cooperation and inter-agency coordination in the field of trade, environment and sustainable development and emphasize the need to ensure close cooperation among different international organizations and avoid duplication, in the area of trade, environment and sustainable development, particularly the World Trade Organization, the United Nations Conference on Trade and Development, the United Nations Development Programme and the Organisation for Economic Cooperation and Development;
- (iv) Welcome the proposed format of the Executive Director's statement as avoiding repetition of other documents and statements produced by UNEP and focusing on major emerging threats to the environmental or critical driving forces of environmental change.



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ENVIRONMENT AND ECONOMICS

UNEP action programme on environment and economics

Report of the Executive Director

Summary

A key challenge in promoting sustainable development is the integration of environmental considerations into development planning policies. In chapter 38 of Agenda 21, Governments called upon UNEP to focus on "developing and promoting the use of such techniques as natural resource accounting and environmental economics" and to concentrate on the "further development and promotion of the widest possible use of environmental impact assessments, including activities carried out under the auspices of specialized agencies of the United Nations system". To implement this mandate, the UNEP Action Programme on Environment and Economics was initiated in 1993 and is being executed in close collaboration with other relevant organizations. The programme focuses on five areas: (a) valuation of environment and natural resources; (b) environment and natural resource accounting (ERA); (c) economic instruments; (d) environmental impact assessment (EIA); and (e) trade and the environment. It emphasizes practical approaches for strengthening national capacity-building in developing countries and countries in transition to market economies. Reports of all the major activities have been or will be published in the Environmental Economics Series and disseminated widely. Trade and environment has assumed priority in this biennium and document UNEP/GC.18/24 elaborates the emerging policy issues.

Suggested action by the Governing Council

The Governing Council may wish to:

(a) Recall chapter 38 of Agenda 21, in which Governments called upon UNEP to focus on "developing and promoting the use of such techniques as natural resource accounting and environmental economics;"

* UNEP/GC.18/1.

(b) Recall its adoption of the revised draft report of UNEP on plans to implement Agenda 21, submitted to the General Assembly at its forty-eighth session, in which UNEP, inter alia, endorsed the subprogramme on environment and economics, covering; (i) environment and natural resources accounting, (ii) valuation of environmental goods and services; (iii) economic policy instruments; (iv) environmental impact assessment (EIA); and (v) trade and the environment;

(c) Take note of the report of the Executive Director on the UNEP Action Programme on Environment and Economics;

(d) Request the Executive Director to pursue further work in the field of environment and economics, focusing on the further development of tools and approaches for the integration of environment and development to achieve sound environmental management and sustainable development.

A. Overall strategy and status as at December 1994

1. The implementation of the Action Programme is based on four strategies.

Strategy One: Review of Existing and Proposed Research Activities

The focus of the programme is to review and analyse the experience of countries from all the regions and to encourage continuous dialogue and contact between natural and social scientists and donor institutions dealing with environment and economics. The programme promotes information exchange on research in environmental economics-related knowledge and techniques. This strategy is intended to: (a) develop an ongoing dialogue among users of integrated environmental economic tools; (b) focus on major environmental management challenges, including those covered by international environmental agreements and to estimate the costs of the transition to sustainable development; and (c) assist UNEP in the implementation of its programmes, especially the international environmental agreements.

Strategy Two: Internal Coordination

The activities of the Action Programme help to translate national capacity-building objectives into concrete development policy applications. Regular consultations have been and continue to be held with the various UNEP units, programme activity centres (PACs) and regional offices to: (a) ensure coordination between their work and that of the Environmental Economics Unit (EEU); (b) update them in the field of environment and economics; and (c) provide support and possible input and backup in the field of economic analysis and applications. A series of three structured consultations was held during this period.

Strategy Three: External Coordination

A major thrust of the Action Programme is to maintain close coordination with other United Nations organizations, professional and academic associations, the scientific community, national government agencies and administrations, transnational corporations, industry, non-governmental organizations and trade organizations. This coordination is intended to identify gaps and promote more detailed assessments of implications of the use of economic analysis and instruments. In the process of preparing the UNEP Action Programme on Environment and Economics, a series of meetings was held to solicit expert advice. To ensure adequate and representative consultations, UNEP maintains an advisory list of leading economists in development, environment and natural resource economics.

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Strategy Four: Capacity-building

The focus here is to develop a conceptual and methodological framework for capacity-building, with a view to enhancing and strengthening the capacity of developing countries and countries with economies in transition to implement environmentally sound and sustainable development programmes. This includes enhancing the capacity of these countries to integrate practical and cost-effective environmental management tools into national plans and decision-making and to develop economic policies tailored to meet their respective fiscal, legislative and planning priorities and development needs.

B. Activities undertaken in 1994

2. Several meetings and workshops on the five main components of the programme were organized and convened by UNEP. In August, a consultative expert group met on the valuation of environment and natural resources, with particular focus on developing countries and countries with economies in transition. The meeting produced a framework action programme, including priority activities for implementation.

3. A workshop on environmental and natural resource accounting, with particular reference to countries with economies in transition, was hosted by Slovakia. The workshop focused on the implementation of the revised system of national accounts, together with the development of environmental satellite accounts. Similar workshops for the West Asia region and French-speaking African countries are planned for 1995.

4. In August, a consultative expert group meeting was convened on the use and application of economic instruments for environmental management and sustainable development. The meeting reviewed the practical application of economic instruments for sustainable environmental management, with emphasis on the application of these instruments in such sectors as terrestrial and marine ecosystems, toxic chemicals and hazardous wastes. As a follow-up to this meeting, UNEP, in collaboration with the United Nations Conference on Trade and Development (UNCTAD), will convene a consultative expert group meeting on the internalization of environmental costs in April 1995.

5. In the field of environmental impact assessment (EIA), activities built on the work done in 1993. The programme focused on challenges facing EIA to make it an effective and practical tool for integrating environment and planning into decision-making with a view to achieving sustainable development. As a follow-up to the meeting, UNEP, in collaboration with the Commonwealth Secretariat in London and EarthCare Africa, in March and April convened a subregional EIA workshop in Zambia, for EIA practitioners in Eastern and Southern Africa. The workshop provided the participants with an overview of EIA and also helped identify human, financial and institutional requirements in integrating social, economic and environmental considerations in EIA. In July 1994, a meeting of seven experts selected from the Zambia workshop produced an EIA framework for Africa.

6. In May and June, in collaboration with the Islamic Development Bank, a seminar entitled "EIA of Development Projects" was held in Amman, Jordan. The participants comprised mainly senior managers of development and planning within the national development banks of Arab-speaking countries. In September, a workshop on EIA was convened, focusing on international cooperation, problems encountered in implementing EIAs for externally funded projects and consistency and coherence in the different EIA procedures of recipient countries and donors.

7. Other activities undertaken include a roundtable meeting in May on trade, environment and sustainable development for NGOs from Latin America and the Caribbean and North American regions. In June, the Advisory Group to the Executive Director on Commercial Banks and the Environment met in London. This was followed in September by a two-day roundtable on commercial banks and the environment, which was attended by 45 investment and commercial banks from 23 countries and representatives from regional development banks. Also in June, a technical capacity-building meeting on trade and environment was attended by representatives from the ministries of 35 African countries. Follow-up workshops are planned in the Latin American and Asia-Pacific regions in 1995. In February and November 1994, UNEP and UNCTAD hosted two informal meetings at the ministerial level on trade and environment, which were attended by 26 and 35 countries, respectively. An EIA workshop was held in Kathmandu in December, in collaboration with the Regional Office for Western Asia (ROWA). A follow-up workshop will be held in Kyoto in 1995.

8. Follow-up activities envisaged for 1995 include: (a) a workshop on the environmental impacts of structural adjustment programmes, jointly organized with the World Bank; (b) co-sponsoring of the 1995 Conference of the International Association for Impact Assessment (IAIA), to be held in South Africa (an African high-level ministerial meeting on EIA is also being organized in conjunction with the IAIA Conference); (c) two regional workshops for EIA practitioners in Latin America and the Middle East; (d) an expert group meeting on environmental reviews of trade policy; (e) a training of trainers seminar on the use of economic policy instruments and tools for sustainable agriculture and rural development planning; and (f) a series of expert meetings on international environmental agreements and trade policy, debt avoidance and settlement, equivalency of environmental criteria in material eco-labelling schemes, procedural assessment issues in relation to trade-environment issues and the conditionality of aid and international debt.

1. Country case studies and applications

9. Several projects on valuation were undertaken at the country level. These include: (a) a project covering two country studies; (b) a project to develop the skills of biodiversity country managers for more accurate valuation of biological resources and diversity, to take into account the full social, economic and environmental costs; (c) pilot case studies on the application of techniques of integrated environmental and economic accounting in Indonesia, Colombia and Ghana, in collaboration with the United Nations Statistical Division (UNSTAT); and (d) a project on the application of environmental accounting in Hungary. Two pilot case studies on the application of ERA, with emphasis on biodiversity and coastal and marine resources, are planned in one selected country in Africa and one in Western Asia.

10. A project on the use of economic instruments and their application to environmental policies in developing countries has been launched in Brazil, China and the Republic of Korea. Local institutions in the three countries were identified to undertake the work. The first drafts of the case studies were reviewed in May. The revised drafts and the report will be reviewed in March 1995. A project on the use and application of economic instruments in six selected countries in Latin America and the Caribbean (Argentina, Bolivia, Chile, Colombia, Dominican Republic and Mexico) was launched jointly with Terrestrial Ecosystems Branch (TEB), Regional Office for Latin America and the Caribbean (ROLAC) and the Economic Commission for Latin America and the Caribbean (ECLAC) in 1993. The project addresses sectors of agriculture, forestry, freshwater, biodiversity and manufacturing. A project on environmental cost internalization in the commodity sector in Czech Republic, Egypt, and South Africa was initiated in July, in cooperation with UNCTAD. UNEP co-sponsored with UNCTAD two country-case studies on trade and environment in Argentina and Chile. Similar country-case studies will be supported by UNEP in 1995 in Indonesia Russian Federation and South Africa.

2. Research and development

11. A number of studies and research projects were conducted on: (a) causes of environmental degradation with the focus on market and policy failures; (b) impact of agricultural subsidies and other economic policy measures on agricultural development natural resources management and desertification. The study will be published for wider distribution. Other studies have been prepared on economic values and the environment in developing countries, a framework for the application of economic instruments for environmental and sustainable development and financing mechanisms for environmental investments and sustainable development. These studies are currently being published, commercially for wider distribution. A series has also been published on environment and trade. Other publications included UNEP background papers entitled "Economic Instruments and Environmental Goals; International Environmental Agreements: Factual Note Update" and "Procedural Harmonization Issues and Trade Policy".

12. In September 1994, UNEP issued its report on environmental risk and commercial banks, in preparation for the roundtable with banks. In January 1995, UNEP will release the results of the UNEP-Salomon Global Survey; and in February 1995, it will issue the report on the roundtable meeting on commercial banks and the environment.

13. A joint project was initiated with the Scientific Committee on Problems of the Environment (SCOPE) to develop methodologies for the use of modelling techniques for planning sustainable development, with the focus on valuation of natural resources. This will be followed up in 1995 with a workshop in Brazil, to develop the model for and the publication of a manual on the application of modelling techniques.

3. Manuals and guidelines

14. The preparation of a number of manuals and guidelines has been initiated in 1995. This has been based on the recommendations of the consultative expert group meeting on valuation of environmental and natural resources. UNEP selected institutions and individuals from five different regions of the world to undertake the work. Another planned manual will focus on the techniques and use of ERA and the formulation of modalities for the integration of ERA into development planning. The preparation of a document on EIA good practices has been commissioned, and a working group to develop a training resource manual on EIA convened in January 1995.

4. Network development

15. A database of experts and institutions from all the regions in the field of environment and economics has been developed and established in UNEP. This is necessary to enhance awareness about the use of environmental economics and the promotion of North-South and South-South cooperation.



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POLICY ISSUES: EMERGING POLICY ISSUES

Implications for the United Nations Environment Programme
of major international events

Report by the Executive Director

Summary

The present report summarizes the conclusions of major international events since the seventeenth session of the Council and submits the follow-up strategies of UNEP for the Council's consideration. UNEP's substantive actions at the project level are embodied in the proposed programme of work: Fund programme activities for the biennium 1996-1997 (UNEP/GC.18/9 and Add.1).

Suggested action by the Governing Council

The Governing Council may wish to take note of the present report and to express its views on the UNEP strategies in the context of its deliberations on the proposed programme of work: Fund programme activities for the biennium 1996-1997.

A. Agenda for Peace

1. Upon the invitation of the summit meeting of the Security Council held in January 1992, the Secretary-General presented to the Security Council and to the General Assembly at its forty-seventh session a report entitled "An Agenda for Peace" (A/47/277-S/24111). The Assembly welcomed this report and adopted its resolution 47/120 A of 18 December 1992, "An Agenda for Peace: preventive diplomacy and related matters". Subsequently, in 1993, the General Assembly adopted two related resolutions, including 47/120 B of 20 September 1993, "An Agenda for Peace". In January 1995, the Secretary-General submitted a position paper entitled "Supplement to An Agenda for Peace" (A/50/60-S/1995/1). In this series of actions, four issues have been addressed, namely, (i) preventive diplomacy, (ii) peacemaking (iii) peace-keeping, and (iv) post-conflict peace-keeping (this last item was added in the Secretary-General's position paper of January 1995).

* UNEP/GC.18/1.

2. UNEP's mandate does not extend to any of the four issues addressed in "An Agenda for Peace". However, peace is a fundamental prerequisite for environmentally sound development. UNEP has a major role to play in preventing international conflicts due to the scarcity or depletion of environmental resources which are shared among countries, and in ensuring environmentally sound development in the aftermath of armed conflicts.

3. In the context of its mandate, UNEP is responsible for the preparation and dissemination of information regarding the state of the environment and emerging environmental policy issues. UNEP is also responsible for coordination and promotion of relevant scientific research, development of international environmental law, promotion of subregional and regional cooperation, and so forth. Actions in these areas facilitate the common understanding of environmental and natural resource issues which are shared among countries and which could become a cause of future potential conflicts. An outstanding example is UNEP's involvement in the field of management of internationally shared river basins and the development of non-judicial mechanisms for the avoidance and settlement of environmental disputes. Broadly speaking, development of international environmental agreements is also a form of preventive diplomacy. Further, through its Environment and Natural Resource Information Networks (ENRIN), UNEP is creating appropriate data management capabilities within a network of national and subregional institutions, so as to support subregional organizations mandated to undertake collaborative action on various environment and development issues.

4. UNEP has been and will continue to undertake its activities for environmentally sound development in post-conflict situations. UNEP will further enhance its preventive diplomacy approach, as well as its cooperation with the United Nations Centre for Human Settlements (Habitat) in the activities of the Joint Task Force on the Continuum from Relief to Development, either through its advisory services to Governments or through its sectoral subprogramme activities.

B. Agenda for Development

5. In response to General Assembly resolution 47/181 of 22 December 1992, the Secretary-General circulated in May 1994 a report on an agenda for development (A/48/935). Subsequently, and building on the views expressed during the World Hearings on Development conducted by the President of the General Assembly in June 1994 and the high-level segment of the Economic and Social Council held the same month, the Secretary-General submitted to the General Assembly at its forty-ninth session a report entitled "An agenda for development: recommendations" (A/49/665) of the General Assembly. By paragraph 1 of its resolution 49/126 of 19 December 1994, the Assembly decided to establish an ad hoc open-ended working group of the General Assembly to elaborate further an action-oriented, comprehensive Agenda for Development, which should begin its work as early as possible in 1995.

6. In his reports, the Secretary-General identified five dimensions of development, namely, peace, the economy, environmental protection, social justice and democracy. Although an Agenda for Development has a strong focus on development assistance activities, the environment is termed as a basis for sustainability, and it is stated that the interconnections between the environment, society, the economy and political participation highlight the importance of addressing the environmental aspect of development in a national context (A/48/995, para. 84). The reports also cover many other issues of relevance to UNEP, including post-conflict development, protection of physical environment in economic development, investment in human development, environmental statistics and indicators for informed decision-making, and international cooperation within the framework of multilateral conventions.

7. In view of the broadness of the Agenda for Development initiative, and its significant relevance to environmental issues, UNEP's positive participation as a United Nations programme, and its coordinating and catalytic activities as a United Nations centre of environmental excellence, are of vital importance to making the Agenda operational.

C. Global Conference on the Sustainable Development
of Small Island Developing States

8. The Global Conference on the Sustainable Development of Small Island Developing States adopted the Declaration of Barbados, and the Programme of Action for the Sustainable Development of Small Island Developing States. The Programme of Action presents a basis for action in 14 agreed priority areas and defines a number of policies and actions related to environmental and development planning that should be undertaken by small island developing States with the cooperation and assistance of the international community. In its resolution 49/122 of 19 December 1994, the General Assembly endorsed the Declaration and the Programme of Action, and decided upon a number of modalities for the follow-up.

9. The 14 agreed priority areas are: (i) climate change and sea level rise; (ii) natural and environmental disasters; (iii) management of wastes; (iv) coastal and marine resources; (v) freshwater resources; (vi) land resources; (vii) energy resources; (viii) tourism resources; (ix) biodiversity resources; (x) national institutions and administrative capacity; (xi) regional institutions and technical cooperation; (xii) transport and communication; (xiii) science and technology; and (xiv) human resource development. Since UNEP has specific competence in most of these areas, its future contribution to international follow-up actions is incorporated in the current and future programming processes, in particular, within the programme element entitled "Caring for freshwater, coastal and marine resources".

D. International Conference on Population and Development

10. By its resolution 49/128 of 19 December 1994, the General Assembly endorsed the Programme of Action of the International Conference on Population and Development, held in Cairo from 5 to 13 September 1994, and decided, inter alia, that the substantive sessions of the Economic and Social Council would consider the questions relevant to the follow-up to the Conference. Within the United Nations system, the Inter-Agency Working Group, chaired by the Executive Director of the United Nations Population Fund (UNFPA), has been established.

11. As far as UNEP is concerned, chapter III of the Programme, "Interrelationships between population, sustained economic growth and sustainable development", and its section C, "Population and the environment", in particular, require its substantive contribution. Important issues raised include: (i) the need to integrate population issues in development policy formulation, capacity-building for policy formulation and implementation, education and awareness promotion, and public participation; (ii) environmentally sound consumption pattern and trade practices; and (iii) empowerment of women.

12. Furthermore, chapter XII, on technology, research and development, contains several areas where UNEP has comparative strength, including:

- (a) Scientific analysis of the population-environment nexus;
- (b) Analysis, dissemination and use of population-environment information. The use of geographical information systems (GIS) is highly relevant in this context;
- (c) Information networking, an area in which INFOTERRA will have a role.

E. United Nations Convention on the Law of the Sea

13. The United Nations Convention on the Law of the Sea of 10 December 1982 entered into force on 16 November 1994. Of its 320 articles, articles 192-237 deal with the general subject of protection and preservation of the marine

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environment. In addition, many other articles deal with environmental questions in specific areas, namely, article 43, on pollution in international straits, articles 61-68, on conservation and utilization of living resources in the exclusive economic zone, articles 116-120, on management and conservation of the living resources of the high seas, and article 145, on protection of the marine environment from activities in the seabed and ocean floor beyond the limits of national jurisdiction.

14. Now that the Convention has entered into force, its successful implementation depends heavily on the actions of the individual parties. Many articles require legal and administrative action by parties: for instance, the conservation of marine environment within national jurisdiction is the responsibility of coastal States. Thus, the parties will be faced with a broad range of responsibilities for environmental conservation, which encompass adoption of laws and regulations for the prevention and control of pollution, setting and implementation of environmental standards, and taking legal actions in the case of breaches of relevant national as well as international legal requirements.

15. UNEP has a variety of programme activities of relevance to the effective implementation of the Convention. In particular, through the regional seas programme, which now involves over 140 countries and territories, UNEP has been carrying out, in collaboration with those countries, environmental monitoring and assessment and the promotion of environmentally sound coastal area management. UNEP is playing a leading role in the international deliberations on control of marine pollution caused by land-based sources. In March 1995, UNEP organized a meeting of Government-designated experts in Reykjavik, which reviewed and revised the draft Global Programme of Action to Protect the Marine Environment from Land-based Activities. In November 1995, an intergovernmental conference will be held in Washington, D.C., to adopt the Programme, for which UNEP has offered to provide the secretariat functions. Through its integrated programme covering freshwater and marine water bodies, UNEP's contribution to the effective implementation of the Convention will be further enhanced.

F. World Summit for Social Development

16. The World Summit for Social Development was held in Copenhagen from 6 to 12 March 1995, with the participation of nearly 120 Heads of State and Government. The Summit addressed four main issues, namely: (i) the enabling environment for social development; (ii) eradication of poverty; (iii) the expansion of productive employment and the reduction of unemployment; and (iv) social integration. It adopted the Copenhagen Declaration and the Programme of Action.

17. The Programme of Action contains concrete recommendations on each of the four main issues. It recalls and recommends sustainable development in an enabling political and legal environment. In its chapter V, "Implementation and follow-up", it contains clear recommendations regarding: (i) national strategies; (ii) involvement of civil society; (iii) mobilization of financial resources; and (iv) the role of the United Nations system. One noteworthy recommendation in this chapter is that the Economic and Social Council consider the possibility of holding joint meetings with the Development Committee of the World Bank and the International Monetary Fund on the issue of social development.

18. UNEP contributed to the Summit its new publication Poverty and the Environment, which stressed that poverty alleviation and environmental sustainability are not mutually exclusive goals but are prerequisites of each other. The Executive Director's statement at the Summit further stressed the importance of participation, investments in human capital, use of relevant policy tools for sustainable development and needs of enhanced international cooperation. Many of the recommendations are of direct relevance to UNEP activities in the context of development and use of policy tools and advisory services to Governments. The proposed programme of work: Fund programme activities for the biennium 1996-1997 provides for a potentially important contribution by UNEP to the world community's challenge in this respect.



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POLICY ISSUES: EMERGING POLICY ISSUES

Environment and sustainable development

Summary

The present report introduces and elaborates on the concepts of environment and sustainable development, concluding basically that the protection of the physical environment requires full attention and action in all interrelated fields of sustainable development. The report furthermore elaborates on the mandates and practice of the Governing Council and its secretariat in relation to the mandate and practice of the Commission on Sustainable Development (CSD) and the Inter-Agency Committee on Sustainable Development (IACSD). It leads to the conclusion that the United Nations Environment Programme (UNEP), as the principal body within the United Nations system in the field of the environment, should set priorities within the scope of its mandate with a view to avoiding duplication of effort and ensuring that the priorities are met, and focus on issues of the physical environment while also addressing their social, economic and political context. Acknowledging that the proposed Fund programme for 1996-1997 meets these criteria, the UNEP Governing Council is requested to confirm the leadership role of UNEP and its responsibilities in providing policy guidance, coordinating United Nations system activities, and promoting and catalysing action to meet the challenges contained in the Fund programme.

Suggested action by the Governing Council

The Governing Council may wish to:

- (a) Affirm that effective protection of the physical environment requires a broader consideration of issues of sustainable development;
- (b) Recall General Assembly resolution 2997 (XXVII) of 15 December 1972, which grants UNEP Governing Council a mandate to, inter alia, promote international cooperation in the field of the environment, recommend, as appropriate, policies to that end and provide policy guidance for the direction and coordination of environmental programmes within the United Nations system;

(c) Recall also that the same resolution grants the UNEP secretariat a mandate to, inter alia, coordinate, under the guidance of the Governing Council, environmental programmes within the United Nations system and to advise, as appropriate and under the guidance of the Governing Council, intergovernmental bodies of the United Nations system on the formulation and implementation of environmental programmes;

(d) Emphasize that since 1972 UNEP has consistently addressed environmental matters in the light of the interrelated issues of sustainable development;

(e) Recall chapter 38 of Agenda 21, in particular, that UNEP is the principal body within the United Nations system in the field of the environment, that there will be a need for an enhanced and strengthened role of UNEP and its Governing Council after the United Nations Conference on Environment and Development (UNCED), and that the Governing Council should, within its mandate, continue to play its role with regard to policy guidance and coordination in the field of the environment, taking into account the development perspective;

(f) Recognize that, in fulfilling its mandate, UNEP must operate with a view to avoiding duplication of work by other agencies;

(g) Recognize further that, taking into account the above, UNEP should set priorities within the scope of its mandate and, to ensure that they are met, must focus on issues of the physical environment, while also addressing their social, economic and political contexts;

(h) Acknowledge that the proposed Fund programme for 1996-1997 is based on the above-mentioned considerations, while focusing on the major challenges in the field of the environment;

(i) Confirm the leadership role of UNEP and its responsibility in providing policy guidance, coordinating United Nations system activities, and promoting and catalysing action to meet these challenges;

(j) Decide to inform the Commission on Sustainable Development accordingly.

I. ENVIRONMENT AND SUSTAINABLE DEVELOPMENT: THE CONCEPTUAL DEBATE

A. From Stockholm to Rio

1. Until a few generations ago, the physical environment was regarded as a somewhat independent self-contained entity. Today, however, human impact on the physical environment has required that that perception be radically re-evaluated. Not only do human beings interfere directly with their natural surroundings, but their social activities have an indirect impact on the global environment as well. Thus, the state of the environment is in large part the collective result of the activities of individuals and institutions. The world's ecology is increasingly influenced by cultural, economic, social and political factors. Such interlinkage was acknowledged at the 1972 Stockholm Conference, which was appropriately named the United Nations Conference on the Human Environment.

2. Although the Stockholm Conference endorsed a comprehensive approach to global environmental issues, that position altered, in practice, in the years following the Conference. The environment was increasingly treated as an isolated entity. Emphasis was placed on technical solutions which, it was believed, could solve existing environmental problems within a reasonably short time. Developing and industrialized countries meanwhile were engaged in a fundamental dialogue on issues relating to poverty and environment which resulted, inter alia, in the Cocoyoc Declaration on Patterns of Resource Use, Environment and Development Strategies, adopted by the participants in the UNEP/United Nations Conference on Trade and Development symposium, held in Cocoyoc, Mexico, from 8 to 12 October 1974.

3. The 1980s marked a shift from curative to preventive action. Yet still, today, the focus of environmental concerns is the need to find solutions to existing environmental problems which continue to increase in seriousness.

4. The UNCED process deserves credit for re-establishing the notion that environment is an integral part of sustainable development and that environmental issues cannot be considered in isolation from their economic, social and political contexts. UNCED emphasized that environmental problems are the consequence of social processes. Emphasis was rightly placed on equity, development and care for nature and natural resources - factors so intertwined that they can only be analysed and managed in an integrated manner.

B. Environment in its context

5. It was acknowledged at UNCED that environmental management is more than a technical issue. Environmental degradation is not usually intentional but, rather the side-effect of actions undertaken to attain other goals. If environmental management is to be more than cleaning up and repairing damage, it must focus on societal goals and on the ways people and organizations try to attain them. Managing the environment is thus a social activity, requiring social skills.

6. In many cases, people have no incentive to take the environmental consequences of their activities into account. Environmental impacts are regretted and as far as possible evaded, but are seldom reason enough to forgo specific activities. It is necessary, then, that people be provided with incentives and alternatives which take environmental consequences into account and encourage them to adjust their behaviour. This cannot be left to self-governing mechanisms within society. The state of the world as a whole is seldom something of direct interest to individuals. Safeguarding collective welfare therefore remains the responsibility of national and international authorities.

C. Environment and economics

7. Economics plays a leading role in societal decision-making. Yet because the physical environment is still a largely uncoded asset, environmental considerations tend to play a marginal role in economic decision-making. The costing of environmental resources is an essential but insufficient means to correct this and, in addition, it would be technically and politically very difficult. The technical difficulty lies in the valuation of nature. The political difficulty lies in the present distribution of economic power - macro and micro - which does not account for a coded environment. Such a costing process would likely be economically detrimental to a number of important actors. These actors would therefore be reluctant to endorse changes, despite agreeing in principle with the necessity for them. Progress in this field can therefore only come from an international organization showing true leadership.

8. Contrary to the thinking of some economists, integration of environmental issues within the economic system is not primarily a technical issue. It concerns ownership rights and distributional matters. It is not enough to face these issues from a traditionally legal or financial point of view. In order for solutions to be lasting and sustainable, they must be equitable and just. Economic theory is not especially equipped for this. These requirements will be hard to realize and will face much resistance.

9. To a certain degree, economic development and social issues appeal to individual interests. This is much less the case for the physical environment as for the third element of sustainable development. Victims of environmental degradation are, on the whole, not readily identifiable - as opposed to victims of inequity or lack of economic development. Arguably, however, the victims are often the same groups within society.

10. Sustainable development is about the needs of present and future generations. However, decisions are made by the present generation and the temptation is to meet current needs at the expense of long-term environmental well-being. The selling of environmental assets enriches the present generation, but will leave future generations worse off. The implication of this could be that environmental considerations are of greater concern to future generations than to the present. It is easy to obtain general agreement on the need to take action to protect the environment, but since almost all actions touch on existing interests, it is often hard to obtain support for specific action. This problem is exacerbated by the fact that short-term costs tend to have more influence than the prospect of long-term benefits.

D. Globalization

11. Chains of cause and effect are becoming increasingly international. Local environmental problems can sometimes be linked to activities on the other side of the world. Yet individual Governments cannot be expected to base their decisions on maximizing global well-being. To address the increasing globalization of environmental issues, it is therefore necessary to coordinate and take initiatives on an international level. It is not enough to focus on international environmental agreements. Attention must be given to the causes of environmental degradation. One of the major focuses should be the globalization of the world economy and the growing importance of trade and the environment.

12. In recent years, attention to global and regional environmental problems - which was virtually non-existent in 1972 - has been growing, although the priority accorded to such problems differs greatly among United Nations Member States. In some cases emphasis is placed on the physical environment, while other aspects of sustainable development are viewed as largely instrumental in attaining a healthy environment. In other parts of the world the emphasis is on economic sustainability and equity. In general, there is a lack of recognition of mutual interests, but also a refusal to accept sustainable development as a comprehensive concept. From a strategic and political point of view, however, environmental management cannot be restricted to the physical environment.

E. Human welfare and the environment

13. The persistence of poverty and sustainable development are not compatible and yet the relationship between poverty and the environment is complex. Reduction of natural resources diminishes opportunities to benefit from the environment and thus contributes to poverty. Conversely, poverty leads to over-exploitation of the physical environment. Beyond a certain level of development, some environmental problems - mostly local and regional - can be dealt with better, but others, mostly related to higher levels of consumption, tend to become worse (acidification, CO₂ emissions, etc.). The higher the level of economic development, the more serious these latter problems usually become. Thus, poverty and affluence both seem to have a negative impact on environmental sustainability.

14. Environmental management is linked to human rights and to democracy, and, therefore, to access to resources. It thus relates to poverty alleviation and justice. Ecological preservation is also linked to culture, in particular the traditional livelihoods and productive practices of indigenous people. Although natural factors are significant, most environmental emergencies are either socially, economically or politically driven. Ecological conflicts are increasingly becoming political issues which require the establishment of new policies for the sustainable and equitable management of natural resources.

F. Environment and sustainable development

15. In the final analysis, any division between environment and sustainable development is artificial. The environment cannot be managed in isolation. It touches upon all aspects of life. Working on a healthy environment means addressing sustainable development as a whole.

II. ENVIRONMENT AND SUSTAINABLE DEVELOPMENT: INSTITUTIONS AND MANDATES

A. UNEP and sustainable development

1. The 1972 mandate

16. As the product of and successor to the 1972 United Nations Conference on the Human Environment held at Stockholm, UNEP is the principal environmental body within the United Nations. The Action Plan for the Human Environment divided the recommendations made at the Conference into three components, according to function:

Environmental assessment (Earthwatch)

- evaluation and review
- research
- monitoring
- information exchange;

Environmental management: functions designed to facilitate comprehensive planning that takes into account the side-effects of man's activities and thereby to protect and enhance the human environment for present and future generations;

Supporting measures: relates to measures required for the activities of the other two categories:

- education, training and public information
- organizational arrangements
- financial and other forms of assistance.

17. The mandate granted to the Governing Council of UNEP and to the environment secretariat in General Assembly resolution 2997 (XXVII), taking note of the report of the Secretary-General on the United Nations Conference on the Human Environment, focuses on assessment of the state of the world environment, provision of policy guidance, coordination of environmental activities within the United Nations system as well as the catalysing of environmental protection on a broader scale, including the promotion of cooperation and of environmental knowledge and information.

2. Translation into practice

18. The complicated interrelationship between the human and the physical environment was emphasized in the Cocoyoc Declaration, which resulted from the UNEP/UNCTAD symposium held in Mexico in 1974. The Declaration identified the economic and social factors inherent in environmental degradation, the limits of resources and the rising pressures on them.

19. From its inception, the UNEP secretariat has recognized and taken account of the interrelationship between environment and development. In the foreword to the UNEP report, "Environmental Perspective to the Year 2000 and Beyond", adopted by the General Assembly by its resolution 42/186 of 11 December 1987, UNEP's Executive Director stated that the Perspective "... is guided by the recognition that environmental resources are the life-blood of socio-economic development, and that the state of the environment is a vital aspect of human well-being everywhere".

20. The Perspective notes in its paragraph 4 that "environmental problems cut across a range of policy issues and are mostly rooted in inappropriate development patterns. Consequently, environmental issues, goals and actions cannot be framed in isolation from the development and policy sectors from which they emanate." Throughout the Perspective, an attempt was made to reflect consistently the interdependent and integrated nature of environmental issues.

21. The Perspective in its paragraph 17 proposes that one of the major priorities and functions of UNEP should be "to provide leadership, advice, and guidance in the United Nations system on restoring, protecting, and improving the environmental basis for, and in general act as a catalyst in the promotion of, sustainable development."

22. By its decision 15/2, the Governing Council reaffirmed its commitment to promoting the philosophies and approaches laid down in the Perspective. In particular, it reported on progress in the implementation of General Assembly resolution 42/186 as well as of General Assembly resolution 42/187 of 11 December 1987 on the report of the World Commission on Environment and Development. The Governing Council noted that Governments have been and continue to be responsive to the resolutions, and expressed the hope that further progress towards implementing sustainable and environmentally sound development would be achieved. In annex II to decision 15/2, the Governing Council detailed its interpretation of sustainable development.

23. The United Nations System-Wide Medium-Term Environment Programme, 1990-1995, approved by UNEP's Governing Council in its decision SS.I/3 of 18 March 1988, and comprising all the environment-related efforts of the United Nations system planned for the period 1990-1995, states that "underlying all those efforts is the need to achieve sustainable development...". It notes that "the relationship between people and the environment is... the substance of and the justification for the environment programme." The Programme was "the result of a continuing process of collaborative review and evaluation of environmental issues, stimulated and coordinated by UNEP and involving all the components of the system."

3. Agenda 21

24. The United Nations Conference on Environment and Development held in June 1992 provided an opportunity, inter alia, to take stock of action taken since the Stockholm Conference. Nations had come to accept that it is not possible to maintain a healthy economy without action to arrest environmental degradation. While economic development cannot and should not be halted, it must be combined with preservation of the environment for present and future generations.

25. UNCED was a milestone event, since which environment and socioeconomic development can no longer be considered as isolated concepts. Agenda 21 represents the political consensus reached at UNCED, providing a blueprint for reconciling a sound economy with a high-quality environment. UNCED also marked a milestone for UNEP, with Agenda 21 reiterating its role and responsibility "as the principal body within the United Nations system in the field of the environment", confirming new dimensions for UNEP's activities, and placing its mandate within a context in which sustainable development is the key goal. Chapter 38, paragraph 21 stated that "in the follow-up to the Conference, there will be a need for an enhanced and strengthened role for UNEP and its Governing Council. The Governing Council should, within its mandate, continue to play its role with regard to policy guidance and coordination in the field of the environment, taking into account the development perspective".

26. Paragraph 22 of chapter 38 set the following priority areas on which UNEP should concentrate:

(a) Strengthening its catalytic role in stimulating and promoting environmental activities and considerations throughout the United Nations system;

(b) Promoting international cooperation in the field of environment and recommending, as appropriate, policies to this end;

(c) Developing and promoting the use of techniques such as natural resource accounting and environmental economics;

(d) Environmental monitoring and assessment, both through improved participation by the United Nations system agencies in the Earthwatch programme and expanded relations with private scientific and non-governmental research institutes; strengthening and making operational its early-warning function;

(e) Coordination and promotion of relevant scientific research with a view to providing a consolidated basis for decision-making;

(f) Dissemination of environmental information and data to Governments and to organs, programmes and organizations of the United Nations system;

(g) Raising general awareness and action in the area of environmental protection through collaboration with the general public, non-governmental entities and intergovernmental institutions;

(h) Further development of international environmental law, in particular conventions and guidelines, promotion of its implementation, and coordinating functions arising from an increasing number of international legal agreements, inter alia, the functioning of the secretariats of the Conventions, taking into account the need for the most efficient use of resources, including possible co-location of secretariats established in the future;

(i) Further development and promotion of the widest possible use of environmental impact assessments, including activities carried out under the auspices of specialized agencies of the United Nations system, and in connection with every significant economic development project or activity;

(j) Facilitation of information exchange on environmentally sound technologies, including legal aspects, and provision of training;

(k) Promotion of subregional and regional cooperation and support to relevant initiatives and programmes for environmental protection, including playing a major contributing and coordinating role in the regional mechanisms in the field of environment identified for the follow-up to the Conference;

(l) Provision of technical, legal and institutional advice to Governments, upon request, in establishing and enhancing their national legal and institutional frameworks, in particular, in cooperation with UNDP capacity-building efforts;

(m) Support to Governments, upon request, and development agencies and organs in the integration of environmental aspects into their developmental policies and programmes, in particular through provision of environmental, technical and policy advice during programme formulation and implementation;

(n) Further developing assessment and assistance in cases of environmental emergencies.

27. In addition to chapter 38, directives are specifically given to UNEP or to UNEP in collaboration with others, in sixteen chapters of Agenda 21. Agenda 21 was endorsed by United Nations General Assembly resolution 47/19 of 22 December 1992.

28. The expectations placed upon and the tasks assigned to UNEP by the international community thus confirm UNEP's approach of positioning the environment in the broader context of sustainable development. UNEP's mandate is consistent with the conclusion that the environment cannot be viewed in isolation and needs to be managed within the integrated context of sustainable development. This approach was confirmed by the global community at UNCED.

B. UNEP and the Commission on Sustainable Development

1. Mandate subject-matter

29. One of the preliminary issues regarding potential overlap in the mandates of UNEP and CSD is whether the subject-matters of their mandates - environment and sustainable development respectively - have sufficient in common to incur overlap generally.

(a) UNEP's subject-matter mandate

30. Prior to UNCED, UNEP's Governing Council mandate was expressed with reference to "the field of the environment" and "environmental programmes". In comparison, Agenda 21 states that the UNEP Governing Council mandate applies "in the field of the environment, taking into account the development perspective" (para. 38.21). UNEP is stated to be "the principal body within the United Nations system in the field of environment" but must also "take into account the development aspects of environmental questions" (para. 38.23). Although UNCED did not formally intend to enlarge UNEP's mandate by such words, the need to pay sufficient attention to the development perspective was emphasized.

(b) CSD's subject-matter mandate

31. CSD is integrally concerned with Agenda 21, the driving principle of which is sustainable development. Sustainable development is concerned with the interface of environment and development issues. Therefore, to be concerned with sustainable development, by definition, involves matters of environment. Indeed, in defining CSD's functions, Agenda 21 specifically refers to issues of environment and development (chapter 38.13).

(c) Conclusion

32. In terms of subject matter mandate, there is overlap to the extent to which the CSD and UNEP mandates both deal with environment and development. Yet the overlap is not necessarily absolute. UNEP's main focus is on the environment. It is in that context that development must be taken into account. CSD is primarily concerned with sustainable development which focuses more broadly on the interface between environment and development issues and the integration thereof.

2. Functional roles

33. To examine potential overlap in the mandates of organizational entities, it is necessary not only to investigate commonalities in subject-matter mandate but also to analyse their functional roles.

34. The mandate of UNEP's Governing Council is to be found in General Assembly resolution 2997 (XXVII) and Agenda 21, paragraph 38.21. The major sources of the CSD mandate are Agenda 21, paragraph 38.13, Economic and Social Council decision 93/207 and General Assembly resolution 47/191 of 22 December 1992. In addition, the organizational bodies charged with supporting the Governing Council and CSD must be considered. UNEP's Executive Director, and the secretariat she heads, are required to provide substantive support to the Governing Council and to act under its guidance (General Assembly resolution 2997 (XXVII)). The Department for Policy Coordination and Sustainable Development (DPCSD) is, inter alia, charged with providing support for certain functions vested in the Economic and Social Council and its subsidiary bodies, including CSD (see A/47/753).

35. In order to consider the UNEP and CSD structures comprehensively in this way, the issues of overlap that arise are examined below:

(a) Coordination mandate

36. UNEP's functional mandate explicitly includes a coordination role. In particular:

- (i) General Assembly resolution 2997 (XXVII) stated, as one of the Governing Council's main functions and responsibilities, the provision of "general policy guidance for the ... coordination of environmental programmes within the United Nations system." UNEP's coordination role is also reflected in the mandate granted to the Executive Director and secretariat of UNEP by the same resolution. Under the guidance of the Governing Council, the Executive Director is "to coordinate ... environmental programmes within the United Nations system ... ;"
 - (ii) Agenda 21 reaffirms a coordinating role, stating that the Governing Council is to "continue to play its role with regard to ... coordination in the field of the environment, taking into account the development perspective" (para. 38.21). By virtue of this statement it is arguable that the Governing Council's coordination role is increased due to the expanded area of subject-matter concern, that is, to include the development perspective as it impacts on environment. Furthermore, Agenda 21 notes that the Governing Council's role (of which the coordination function is a constituent part) is to be "enhanced and strengthened" following UNCED;
 - (iii) Agenda 21 sets out, as a priority area on which UNEP should focus, the "further development of international environmental law, in particular ... coordinating functions arising from an increasing number of international legal agreements, inter alia, the functioning of the secretariats of the Conventions ..."
- (para. 38.22 (h)).

37. There are three potential points of overlap between the UNEP mandate and that of CSD:

- (i) Although the functions of CSD as listed in Agenda 21 focus largely on monitoring and review, the Commission has, by virtue of such tasks, a broadly interactive role with regard to the organizational and governmental entities involved with the implementation of Agenda 21. To monitor and review effectively requires wide-scale association with international organizations, including the United Nations. Furthermore, Agenda 21 states explicitly that "the Commission should provide for the active involvement of organs, programmes and organizations of the United Nations system" (para. 38.11);
- (ii) The issue of overlap is also raised by the mandate granted to DPCSD. As stated above, DPCSD is to provide support for CSD. Therefore, to the extent to which CSD has a coordinating role, it is arguable that so too does DPCSD. The central focus of DPCSD is: "the provision of support for central coordinating ... functions, vested in the Economic and Social Council and its subsidiary bodies, including the new Commission on Sustainable Development (see A/47/753);"
- (iii) The third possible point of overlap relates to the coordination of convention secretariats. Paragraph 38.13 (f) of Agenda 21 states that one of the functions CSD should have is "to consider, where appropriate, information regarding the progress made in the implementation of environmental conventions, which could be made available by the relevant Conferences of Parties". General Assembly resolution 47/191 affirms this mandate, recommending that the Commission organize its work along lines which include the following: "Review of the implementation of Agenda 21 ... in accordance with ... the functions of the Commission, taking into account, where appropriate, information regarding progress in the implementation of relevant environmental conventions ...".

38. The above directives suggest some active involvement by CSD and DPCSD with regard to the convention secretariats and hence the issue of overlap arises. However, it should be noted that the focus of the involvement is somewhat different to that of UNEP. The authority of CSD and that of DPCSD, which stems from it by virtue of its support role, are for the purposes of review and monitoring. In contrast, UNEP's mandate regarding the coordination of convention secretariats is stated in the context of the "further development of international environmental law."

39. Decision I/8, adopted by the first meeting of the Conference of the Parties to the Convention on Biological Diversity, held in Nassau (Bahamas) from 28 November - 9 December 1994, illustrates, however, the potential for CSD's mandate to evolve with reference to specific subject areas. In the annex to that decision, containing the Statement from the Conference of the Parties to the Convention on Biological Diversity to the Commission on Sustainable Development at its Third Session, paragraph 7 notes the importance attached by the Conference to "the development of a substantive relationship with the Commission on Sustainable Development ..." and in paragraph 8 "appeals to the Commission on Sustainable Development to make all efforts in its own right to advance the concerns of the Convention on Biological Diversity."

(b) Policy mandate

40. UNEP's functional mandate explicitly includes a policy role. Specifically:

- (i) In 1972 the General Assembly, in its resolution 2997 (XXVII), set out among the main functions and responsibilities of the UNEP Governing Council, the recommendation, as appropriate, of policies to promote international cooperation and the provision of general policy guidance for the direction and coordination of environmental programmes within the United Nations system. Agenda 21 reaffirms this role. Specifically, "the Governing Council should, within its mandate, continue to play its role with regard to policy guidance ... taking into account the development perspective" (para. 38.21). As noted above, with regard to coordination, the expansion in subject-matter concerns, that is, to include the development perspective as it impacts on environment, arguably increases the functional (i.e. policy) mandate. And Agenda 21 notes that the Governing Council role (of which the policy function is a constituent part) is to be "enhanced and strengthened" following UNCED;
- (ii) UNEP's policy role is further detailed in the priority areas laid down by Agenda 21 for UNEP. One such area restates General Assembly resolution 2997 (XXVII), namely, the recommendation, as appropriate, of policies to promote international cooperation. Another relevant priority area is the provision of environmental policy advice to governments upon request and to development agencies and organs during programme formulation and implementation (para. 38.22 (m)).

41. There are two potential points of overlap between the UNEP mandate and the mandate of the CSD structure:

- (i) CSD is granted a mandate somewhat analogous to a policy advisory role. Paragraph 38.13 (g) of Agenda 21 states that it should be a function of CSD "to provide appropriate recommendations to the General Assembly through the Economic and Social Council on the basis of an integrated consideration of the reports and issues related to the implementation of Agenda 21". Some mitigating factors should, however, be noted. First, one of the main bases for CSD's recommendations is the reports it collects from Governments, non-governmental organizations, etc. In comparison, UNEP's policy role must be seen in the context of its substantive mandate, in particular, its scientific and technical roles (e.g. environmental monitoring and assessment). Secondly, the CSD recommendations are to be solely concerned with the implementation of Agenda 21, whereas UNEP's policy role has a more general scope, in terms of both subject matter and the recipients of its advice;
- (ii) The DPCSD mandate also has potential overlap. As noted above, the DPCSD mandate is to provide support for certain elements of the Economic and Social Council, including CSD. And DPCSD's central focus is: "the provision of support for central ... policy-making functions, vested in the Economic and Social Council and its subsidiary bodies, including the new Commission on Sustainable Development (see A/47/753)".

(c) Monitoring and review mandate

42. Agenda 21 grants the CSD a clear mandate to monitor and review. Paragraph 38.13 of Agenda 21 states that it should be a function of CSD "to monitor progress in the implementation of Agenda 21 and activities related to the integration of environmental and developmental goals throughout the United Nations system..."; "to review the progress in the implementation of the commitments contained in Agenda 21 ..."; "to consider information provided by Governments..."; "to receive and, analyse relevant input from competent non-governmental organizations..."; "to consider, where appropriate, information regarding the progress made in the implementation of environmental conventions, which could be made available by the relevant Conferences of Parties". It is DPCSD's role to support CSD. DPCSD is considered to provide "a 'clearly

identifiable entity', as called for in the draft resolution on the follow-up to the Conference, for monitoring the implementation of Agenda 21 ..."
(A/47/753, para. 8).

43. UNEP's mandate, as laid down in General Assembly resolution 2997 (XXVII), is suggestive of some overlap with that of DPCSD. Specifically, UNEP's Executive Director (heading the secretariat) is to keep the implementation of environmental programmes within the United Nations system under review and to assess their effectiveness (para. 2 (b)).

44. Points of overlap occurring in this context are related to the issue of subject matter mandate as discussed in paragraphs 29-32 above. As noted, however, the overlap is not necessarily absolute.

C. UNEP and the Inter-Agency Committee on Sustainable Development (IACSD)

45. A further post-UNCED institution which raises issues of UNEP's mandate and status is the Inter-Agency Committee on Sustainable Development (IACSD).

46. In paragraph 38.16 of Agenda 21, the Administrative Committee on Coordination (ACC)⁷ was designated as the high-level inter-agency coordination mechanism to ensure effective monitoring, coordination and supervision of the involvement of the United Nations system in the follow-up to UNCED. On the recommendation of the ACC task force created pursuant to paragraph 38.17 of Agenda 21, ACC established IACSD (see ACC/1992/32).

47. As articulated by ACC, IACSD forms part of a three-tier machinery to coordinate the United Nations system's follow-up to UNCED. This machinery comprises:

- ACC itself, operating as a high-level inter-agency coordination mechanism for policy decision-making;
- ACC subsidiary machinery and other inter-agency coordination arrangements to ensure complementarity and synergy in the implementation of Agenda 21 at the technical, working level;
- IACSD, as an intermediate level between coordination of technical work and ACC substantive decision-making, with a view to enhancing ACC decision-making, reporting and effectiveness of relevant inter-agency coordination arrangements (ACC/1992/32, para. 10).

48. ACC adopted the following terms of reference for IACSD:

"Under the aegis of ACC, to identify major policy issues relating to the follow-up of the United Nations Conference on Environment and Development by the United Nations system and advise ACC on ways and means of addressing them so as to ensure effective cooperation and coordination of the United Nations system in the implementation of Agenda 21. To this effect IACSD would:

- (a) In the light of the guidance and instructions received from ACC, examine information regarding the implementation of Agenda 21 provided by the United Nations system organizations, relevant subsidiary bodies of ACC and non-ACC coordinating bodies, and identify for ACC overall policy issues, major gaps and constraints affecting United Nations system cooperation in the Conference follow-up;

⁷ ACC is a committee of executive heads which meets under the chairmanship of the Secretary-General, with the participation of various United Nations programmes, to ensure the coordination of the programmes entrusted to them and to promote close cooperation within the system (ACC/1993/14, para. 6).

(b) Formulate, for consideration and decision by ACC, recommendations to enhance the effectiveness of cooperation and coordination within the United Nations system in the implementation of Agenda 21;

(c) On the basis of (a) and (b) above, prepare brief reports identifying issues and making recommendations on overall policy and coordination, for decision by ACC. These reports should be prepared in such a way as to provide a basis for subsequent reports of ACC to the relevant intergovernmental bodies (as required by paragraph 38.17 of Agenda 21);

(d) Perform other tasks as required by ACC including, where appropriate, monitoring follow-up of relevant ACC decisions" (ACC/1992/32).

1. UNEP's relationship with ACC

49. One issue raised by the establishment of IACSD is its impact on UNEP's relationship with ACC. It could be argued that ACC has delegated responsibility to IACSD for dealing, on a preliminary basis, with matters of sustainable development and that UNEP must therefore deal with ACC through IACSD. This has particular relevance with regard to the annual report provided by ACC to the UNEP Governing Council and for which the Executive Director provides the preparatory work.⁻⁻⁻ In this specific context, the question is whether the Executive Director must first communicate the preparatory work for ACC's report to IACSD.

2. Evolution of IACSD's role

50. The evolution of IACSD's role raises the possibility of duplicative work by UNEP and IACSD. This issue is particularly highlighted by the functions of the task managers designated by IACSD to assist in the preparation of its substantive work. At its most recent session (New York, 1-3 February 1995), IACSD acknowledged the important role of the task manager concept:

"37. In the meanwhile, it was agreed that the concept of a task manager, as it evolved over the past two years, proved to be an effective mechanism to meet the demands related to the functioning of the IACSD and CSD and needs to be strengthened and expressed more clearly. The focus in the activities of the Task Managers should shift from coordination of reporting towards a primary role in strategy development and promotion and coordination of joint action.

38. In this context, it was felt that in the future task managers should pursue the coordination of Agenda 21 system-wide activities ..."
(ACC/1995/3, advanced unedited version including later additions).

51. The potential for duplication arises in connection with the UNEP Executive Director's mandate to coordinate environmental programmes within the United Nations system (General Assembly resolution 2997 (XXVII), paragraphs 36-39 above). It may be noted that, with a view to the effective performance of that role, the Executive Director is currently exploring the need for an inter-agency environment group.

⁻⁻⁻ General Assembly resolution 2997 (XXVII) provided for the establishment of the Environment Coordination Board (ECB), under the auspices and within the framework of ACC. ECB was charged with ensuring cooperation and coordination among all bodies concerned in the implementation of environmental programmes and was required to report annually to UNEP's Governing Council. Pursuant to General Assembly resolution 32/197 of 20 December 1977, ECB was merged with ACC; ACC took over ECB functions including the annual report to the UNEP Governing Council. The Executive Director of UNEP assumed responsibility for the preparatory process for the discharge by ACC of such functions (GC/1/1978, II (7)).

D. Implications for UNEP

52. In 1972, UNEP was mandated to assess the state of the world environment, provide policy guidance, coordinate environmental activities within the United Nations system and to catalyse environmental protection throughout the world. UNCED confirmed that UNEP, within its mandate, should continue to play

its role with regard to policy guidance and coordination, while at the same time strengthening its catalytic role in stimulating and promoting environmental activities and considerations throughout the United Nations system.

53. As protecting the environment implies promoting sustainable development, UNEP has a responsibility to promote and catalyse action encompassing all aspects of sustainability. These aspects range from poverty alleviation to nature protection, social integration to economically sustainable growth, primary environmental care to macroeconomic and global assessments, and to cooperation. While living up to its catalytic mandate, UNEP must also avoid duplication of work. It must appreciate resource constraints. As the sole custodian of the world's physical environment, UNEP should therefore set and address priorities consistent with its basic mission to ensure that governments and international organizations integrate care for the physical environment into their policies and programmes.

54. Priority-setting implies focusing on major threats to the environment. In doing so, UNEP needs to highlight the relationships between socio-economic forces, changes in the physical environment and impacts on human well-being. Assessment reports and policy recommendations must focus on changes in the physical environment while also addressing underlying causes and interrelationships and impacts on human well-being. In catalysing action, UNEP must encompass address remedial action but also focus on prevention, which will involve considerations of economic interdependence, social systems and technologies.



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POLICY ISSUES: COORDINATION AND COOPERATION WITHIN THE UNITED NATIONS

Cooperation between the United Nations Environment Programme and
the United Nations Centre for Human Settlements (Habitat)

Summary

Cooperation between the United Nations Centre for Human Settlements (UNCHS) (Habitat) and the United Nations Environment Programme (UNEP) in the environmental aspects of policies, planning and management of human settlements has increased considerably since (UNCHS) (Habitat) and UNEP jointly prepared the Environmental Guidelines for Settlements Planning and Management one decade ago. During the reporting period, the pace of cooperation has accelerated to include current worldwide joint operations in the Sustainable Cities Programme (SCP), the Joint Task Force on the Continuum from Relief to Development, the Joint Task Force on the Sustainable Development of Small Island Developing States and support for the preparation for the second United Nations Conference on Human Settlements.

Suggested action by the Governing Council

The Governing Council may wish to adopt a decision along the following lines:

The Governing Council,

Recalling its decision 14/3 of 18 June 1987, in which it requested the Executive Director to continue to increase cooperation between the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat), inter alia, in the four areas identified by the seventh joint meeting of the Executive Director of the Programme and the Bureau of its Governing Council with the Executive Director of the Centre and the Bureau of the Commission on Human Settlements,

* UNEP/GC.18/1.

Recalling also its decisions 16/21 of 31 May 1991 and 17/10 of 21 May 1993 on cooperation between the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat),

Recalling further General Assembly resolution 40/199 of 17 December 1985 on cooperation between the United Nations Centre for Human Settlements (Habitat) and the United Nations Environment Programme,

Having considered the report of the Executive Director on cooperation between the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat),

(a) Takes note, with satisfaction, of the increased cooperation between the organizations;

(b) Requests the Executive Director to continue her efforts to intensify such cooperation, particularly in relation to the Sustainable Cities Programme and associated areas included in the proposed Programme of Utilization of Resources of the Environment Fund for the Biennium 1996-1997.

Areas of Cooperation

Sustainable Cities Programme

1. With regard to joint activities in SCP especially, it has been generally agreed that UNEP and UNCHS (Habitat) can realize unique scientific, technical, and financial complementarities. Efforts are now underway to implement these recommendations and make SCP a truly joint facility of UNCHS (Habitat) and UNEP.

2. Cooperation between (UNCHS) (Habitat) and UNEP in the area of environmentally-sound technologies is taking place in the context of a number of joint programmes initiated by relevant UNCHS (Habitat) programmes and UNEP operational units. The UNCHS (Habitat) SCP is cooperating with the following UNEP units and in the listed localities:

(a) The Industry and Environment Programme Activity Centre (IE/PAC), in Paris, in the context of the Awareness and Preparedness for Emergencies at Local Level (APELL) and Cleaner Production programmes, with joint activities in Concepción (Chile), the Upper Silesia industrial agglomeration (Poland), and Dakar (Senegal);

(b) The Oceans and Coastal Areas Programme Activity Centre (OCA/PAC), in Dakar, Concepción, Dar es Salaam and, possibly, Mozambique;

(c) The Global Environmental Monitoring System (GEMS) Air Programme, in Dar es Salaam and Madras (India) (planned);

(d) The Freshwater Unit, in Concepción; and

(e) The International Environmental Technology Centre (IETC), in China, Poland and Chile.

3. UNCHS (Habitat) launched SCP in August 1990 as a follow-up to the UNEP/UNCHS (Habitat) Environmental Guidelines for Settlements Planning and Management, and in response to the Commission on Human Settlements resolution 12/18 of 2 May 1989 on sustainable development and human settlements and to resolution 12/20 of 2 May 1989 on increased cooperation with UNEP. The aim of SCP is to provide municipal authorities and their partners in the public, private, and community

/...

sectors with an improved environmental planning and management capacity. SCP demonstration projects result in broad-based environmental strategies, priority capital-investment projects and strengthened urban management capacities. SCP assists in mobilizing all the public and private sector actors whose cooperation is required for successful implementation of demonstration projects. As a global programme, SCP promotes the sharing of know-how between cities in different regions of the world and, as an interorganizational effort, SCP mobilizes technical and financial resources from both bilateral and multilateral sources.

4. As was reported to the seventeenth session of the Governing Council of UNEP and to the fourteenth session of the Commission on Human Settlements, UNEP has continued to collaborate with (UNCHS) (Habitat) in the development of remote sensing and geographic information system (GIS) techniques for application to urban environmental management. This has been accomplished with support from the Government of Sweden and in the framework of the UNCHS (Habitat)/United Nations Development Programme (UNDP)/World Bank Urban Management Programme (UMP). The joint activities resulted, in a UMP publication, "Urban application of satellite remote sensing and GIS analysis". The techniques have been applied in two SCP demonstration projects, one at Dar es Salaam and the other at Ismailia (Egypt).

5. To enhance the operational relevance of the UNEP/World Health Organization/GEMS-Air Programme further, it has been agreed to use SCP as a vehicle for applying the air-quality monitoring technology developed by GEMS-Air over the past 15 years to urban management decision-making. Joint operational activities are now being conducted under the Dar-es-Salaam sustainable cities project and are planned in other sustainable cities demonstrations, such as those in Poland (the Upper Silesia industrial agglomeration) and India (Madras).

6. As a result of high government demand and strong donor interest, SCP continued to gain momentum during 1993-1994 and is currently operational in several countries throughout the world, including Chile, China, Ecuador, Egypt, Ghana, India, Indonesia, Nigeria, Poland, Senegal, Tunisia and United Republic of Tanzania. During the biennium, SCP has become a vehicle for inter-organizational cooperation. As a follow-up to the recommendations of the United Nations Conference on Environment and Development (UNCED), SCP will be used as a major programme for implementing the various recommendations of Agenda 21, related to human health (chapter 6), sustainable human settlements (chapter 7), drinking-supply and sanitation (chapter 18) and local authorities' initiatives in support of Agenda 21 (chapter 28).

International Environmental Technology Centre (IETC)

7. IETC and SCP have embarked upon two field projects, in China and Poland, to assist in the identification of local needs for technology transfer through the development of a local Agenda 21 in cities where environmental degradation has reached serious levels.

8. In China, Shenyang, the capital of Liaoning Province, has been selected as the site of the first project because of its heavy industrialization and high rates of pollution. This activity has now expanded to include the city of Wuhan.

9. In Poland, the joint activity is aimed at the development of a local Agenda 21 for the Upper Silesian agglomeration (Katowice). The region contains a cluster of cities with an aggregate population of 2.3 million. Following the completion of an environmental profile of the city and the first city consultation, IETC is specifically contributing expertise in the area of drinking water, waste disposal and environmental health.

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Task Force on the Relief to Development Continuum

10. A Joint UNCHS (Habitat)/UNEP Task Force on the Continuum from Relief to Development was established on 22 October 1993. Several activities were undertaken in 1994:

(a) The preparation of a publication on disaster-related activities, joint expertise and experience of UNCHS (Habitat) and UNEP;

(b) An International Workshop on Human Settlements and Environmental Strategies for action in the Continuum from Relief to Development in May 1994;

(c) The preparation of the final report of the International Workshop on Human Settlements and Environmental Strategies for action in the Continuum from Relief to Development;

(d) The Chairman of the Task Force represented both UNCHS (Habitat) and UNEP at the World Conference on Natural Disaster Reduction in Yokohama, Japan, 23-27 May 1994;

(e) A joint assessment mission was sent to Rwanda in September 1994;

(f) A project was prepared and approved for the reconstruction, rehabilitation and cleaning-up of Kigali. This project has been financed by UNDP with UNCHS (Habitat) as the executing and UNEP as the associate executing agency.

11. New terms of reference for the Task Force have been agreed by both organizations and it is anticipated that joint activities will increase in the next biennium, particularly in the area of rapid response to complex emergencies where the specialized expertise of UNEP and UNCHS (Habitat) can contribute to and complement the work of the Office of the United Nations High Commissioner for Refugees (UNHCR), the Department of Humanitarian Affairs (DHA), UNDP and other field agencies.

Task Force on Small Island Developing States

12. A joint UNEP/UNCHS (Habitat) Task Force on Small Island Developing States was established at the request of the Executive Director of UNEP in order to coordinate activities in support of the Programme of Action for the Sustainable Development of Small Island Developing States.

13. A letter of agreement between UNCHS (Habitat) and UNEP will initiate arrangements for the joint organization by the UNEP Ocean and Coastal Areas Programme Activity Centre (OCA/PAC) of a series of regional workshops and seminars on the impact of climate change on coastal population and human settlements. The letter of agreement envisages a three-phase activity comprising: phase 1 - Preparation of background documents for regional workshops in 1994; phase 2 - Convening of the first workshop for the Eastern African region in 1995; and phase 3 - Expansion of cooperation by holding other regional workshops (1995-1996).

14. The following factors have been considered in the establishment of a cooperative framework which UNCHS (Habitat), OCA/PAC and the Global Resource Information Database (GRID) have agreed to develop joint programming for integrated coastal area planning and management in the following areas:

(a) Increased concern worldwide about the threats to marine resources for coastal areas;

/...

(b) Recognition that two thirds of the world population live within some 100 km of the world's coastlines and their number is expected to double within thirty years;

(c) The internationally expressed desire to enhance development without environmental degradation in coastal areas at all levels;

(d) Awareness, in the light of prevailing financial constraints, that duplication of funding and efforts must be avoided;

(e) Recognition that the activities and initiatives of UNEP OCA/PAC, UNEP GRID and UNCHS (Habitat) are in many ways complementary and mutually supportive.

15. UNEP, UNDP and UNCHS (Habitat) jointly developed a project activity which integrated economic development, physical (land-use) and marine and coastal resource planning for the British Virgin Islands. It is innovative in its approach to integrated island and coastal area management and provides a model for UNEP/UNDP/UNCHS (Habitat) involvement in joint activities.

Panel of Experts on Environmental Management for Vector Control

16. The WHO/Food and Agriculture Organization of the United Nations (FAO)/UNEP/UNCHS (Habitat) Panel of Experts on Environmental Management for Vector Control (PEEM) provides an additional framework for UNCHS (Habitat) and UNEP to cooperate on the problems of vector-borne diseases in rural, peri-urban and urban areas. A recent evaluation of the programme will make recommendations on the way in which PEEM can respond more directly to the needs of the affected population and help to translate the findings into operational activities.

Preparations for Habitat II

17. With regard to UNEP assistance to UNCHS (Habitat) in the preparations for Habitat II, support has been provided in a number of areas. In the first place, a Professional staff member has been seconded from UNEP to the UNCHS (Habitat) secretariat to assist in the preparations for the conference. Second, a major publication entitled "World Resources 1966-1997" is being prepared by the World Resources Institute on behalf of UNEP for Habitat II. Third, preparatory work is in progress on the production of a series of case studies documenting the role of local authorities in implementing Agenda 21. The completed work will be published as a book and presented as a contribution to Habitat II. Fourth, subject to the availability of resources, it is planned to sponsor an exhibition at the conference on the best practices in urban environmental management. This will build on the experience from SCP reflecting successful examples of the practical application of sustainable urban development principles.

18. Since Habitat II will take place in Turkey in June 1996, it has been decided that World Environment Day will be commemorated during the conference in Istanbul to demonstrate the full commitment of UNEP to its success, and as a further supporting contribution.



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IMPLEMENTATION OF AGENDA 21

Estimates of costs for the United Nations Environment Programme
to implement fully those parts of Agenda 21
recommended for its attention

Report of the Executive Director

Summary

The present report was prepared in response to Governing Council decision 17/32, which requested the Executive Director to present to the Council at its eighteenth session her estimates of the costs for the Programme fully to implement those parts of Agenda 21 specifically recommended for the United Nations Environment Programme's attention.

Suggested action by the Governing Council

The Governing Council may wish to take note of the present report.

* UNEP/GC.18/1.

ESTIMATES OF COSTS FOR THE UNITED NATIONS ENVIRONMENT PROGRAMME
TO IMPLEMENT FULLY THOSE PARTS OF AGENDA 21
RECOMMENDED FOR ITS ATTENTION

1. In its decision 17/32, the Governing Council requested the Executive Director to present to the Council at its next session her estimates of the costs for the Programme fully to implement those parts of Agenda 21 specifically recommended for the United Nations Environment Programme's attention. The present report has been prepared in response to that request.
2. The secretariat of the United Nations Conference on Environment and Development had estimated the average annual costs (1993-2000) of implementing in developing countries the activities in Agenda 21 to be over US\$ 600 billion, including about US\$ 125 billion on grant or concessional terms from the international community (Agenda 21, para. 33.18). A breakdown per chapter of Agenda 21 is given under the section "Means of implementation" of each chapter. Agenda 21 states that all these estimates are indicative and order-of-magnitude estimates only, and have not been reviewed by Governments. Actual costs would depend upon, inter alia, the specific strategies and programmes Governments decide upon for implementation.
3. Up till now Governments have not yet reviewed the order-of-magnitude estimates. Until they have done so, it does not seem appropriate for the United Nations Environment Programme (UNEP) secretariat, which cooperated in the preparation of the estimates, to alter them.
4. As stated in the Executive Director's report on environment and sustainable development (UNEP/GC.18/27), protecting the physical environment requires a broader consideration of issues of sustainable development. Environmentally sound development requires implementation of Agenda 21. This implies that all chapters of Agenda 21 are of relevance to UNEP's mission and work. Achieving a healthy environment for present and future generations would have a cost equal to the cost of implementing Agenda 21.
5. The same document analyses the role and responsibilities of UNEP vis-à-vis the Commission on Sustainable Development and concludes that UNEP, with a view to, inter alia, avoiding duplication of efforts and in the light of resource constraints, should set priorities within the scope of its mandate and, to ensure that they are met, must focus on issues of the physical environment while also addressing their social, economic and political contexts.
6. Acknowledging this and based on the parts of Agenda 21 specifically recommended for UNEP's attention, the proposed programme for the utilization of resources of the Environment Fund for the biennium 1996-1997 has been drawn up. The estimated cost of this programme is US\$ 105 million and is based on the assessment of the voluntary contributions to the Environment Fund in that biennium.
